

ARTICLES OF MERGER
OF
REF-CHEM CORPORATION
AND
DON LOVE, INC.

FILED
In the Office of the
Secretary of State of Texas

OCT 13 1986

Clerk IV-P
Corporations Section

Pursuant to the provisions of Article 5.04 of the Texas Business Corporation Act, **REF-CHEM CORPORATION**, a Texas corporation subject to the provisions of the Texas Business Corporation Act, and **DON LOVE, INC.**, a Texas corporation subject to the provisions of the Texas Business Corporation Act, do hereby adopt the following Articles of Merger for the purpose of merging **DON LOVE, INC.** into **REF-CHEM CORPORATION**:

1. The plan of merger of **REF-CHEM CORPORATION** ("REF-CHEM") and **DON LOVE, INC.** ("DLI"), is as set forth in that certain Acquisition Agreement heretofore adopted by each of such corporations in the manner prescribed by the applicable articles of the Texas Business Corporation Act; a copy of the applicable merger provisions of said Acquisition Agreement is attached hereto as Exhibit A and is incorporated herein for all purposes.

2. As to each of the undersigned corporations, the number of shares outstanding and the designation and number of outstanding shares of each class entitled to vote as a class on such merger, and the number of shares voted in favor on such merger, are as follows:

<u>Name of Corporation</u>	<u>Number of Shares Outstanding</u>	<u>Entitled to Vote as a Class</u>	
		<u>Designation of Class</u>	<u>Number of of Shares</u>
Ref-Chem Corporation	92,125	N/A	N/A
Don Love, Inc.	517,500	Common Preferred	500,000 17,500

Name of Corporation	Number of Shares				
	Total Voted For	Total Voted Against	Entitled to Vote as a Class		
			Class	Voted For	Voted Against
Ref-Chem Corporation	92,125	0	N/A	N/A	N/A
Don Love, Inc.	517,500	0	Common Pref'd	500,000 17,500	0 0

Dated October 13, 1986.

ATTEST:

Laverly Hicks

REF-CHEM CORPORATION

By:

Harvey J. Page
Harvey J. Page, President

ATTEST:

Susan M. Grange

DON LOVE, INC.

By:

Jeffrey D. Love
Jeffrey D. Love, President

STATE OF TEXAS

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SCOUNTY OF HARRIS

BEFORE ME, a notary public, on this day personally appeared HARVEY J. PAGE, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that he is the President of REF-CHEM CORPORATION and that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18TH day of OCTOBER, 1986.

Doyle E. Creekmore
Notary Public, State of Texas

My Commission Expires:

7-31-88

Notary's Name Printed or Typed:

DOYLE E. CREEKMORE

STATE OF TEXAS

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SCOUNTY OF HARRIS

BEFORE ME, a notary public, on this day personally appeared JEFFRY D. LOVE, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that he is the President of DON LOVE, INC. and that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18TH day of OCTOBER, 1986.

Doyle E. Creekmore
Notary Public, State of Texas

My Commission Expires:

7-31-88

Notary's Name Printed or Typed:

DOYLE E. CREEKMORE

RfChm/Gn.

EXHIBIT A
MERGER PROVISIONS OF THE ACQUISITION AGREEMENT

Recitals:

A. REF-CHEM is a corporation currently engaged in the industrial construction, maintenance and engineering business (the "REF-CHEM Business"), with its principal offices located in Odessa, Texas, and, as of the date hereof, REF-CHEM has authority to issue Five Hundred Thousand (500,000) shares of Common Stock, par value Five Dollars (\$5.00) per share ("REF-CHEM Common"), Ninety-two Thousand, One Hundred Twenty-five (92,125) of which are issued and outstanding, and Seven Thousand Eight Hundred Seventy-Five (7,875) of which are issued and held by REF-CHEM as treasury stock, and has authority to issue Twenty Thousand (20,000) shares of Preferred Stock, par value One Hundred Dollars (\$100.00) per share ("REF-CHEM Preferred"), none of which are issued and outstanding.

B. DLI is a corporation currently engaged in the industrial construction, maintenance and engineering business (the "DLI Business"), with its principal offices located in Pasadena, Texas, and, as of the date hereof, DLI has authority to issue One Million (1,000,000) shares of common stock, par value One Dollar (\$1.00) per share ("DLI Common"), Five Hundred Thousand (500,000) of which are issued and outstanding, and has authority to issue Four Million (4,000,000) shares of preferred stock, par value One Hundred Dollars (\$100.00) per share ("DLI Preferred"), Seventeen Thousand, Five Hundred (17,500) of which are issued and outstanding.

C. REF-CHEM and DLI desire to enter into an agreement whereby DLI will be merged into REF-CHEM.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties and covenants herein contained, and intending to be legally bound, the parties hereto hereby agree as follows:

ARTICLE I

1.01. Actions to be Taken.

(a) DLI shall be merged into REF-CHEM (the "Merger") in accordance with the Texas Business Corporation Act (the "Act"), with REF-CHEM being the surviving corporation (sometimes referred to hereinafter as the "Surviving Corporation"), and the separate existence of DLI shall cease. The Merger shall be effective when properly executed Articles of Merger are filed with the Secretary of State of Texas, and the Secretary of State of Texas issues a certificate of merger pursuant to said Articles of Merger. When used in this Agreement, the term "Effective

Time" shall mean the time when the Secretary of State of Texas issues said certificate of merger.

(b) The Surviving Corporation shall possess all the properties and rights and be subject to all the liabilities of REF-CHEM and DLI and be governed by the laws of the State of Texas.

(c) Subject to the terms and conditions hereof, the parties hereto shall take all actions necessary in accordance with the applicable law and their respective articles of incorporation and by-laws to cause the Merger to be consummated as soon as reasonably practicable but in no event later than October 31, 1986.

(d) The Articles of Incorporation of REF-CHEM in effect immediately prior to the Effective Time shall be the Articles of Incorporation of the Surviving Corporation until altered or amended in accordance with the provisions thereof and the Act.

(e) The By-Laws of REF-CHEM in effect immediately prior to the Effective Time shall be the By-Laws of the Surviving Corporation until altered, amended or repealed in accordance with applicable law.

(f) The directors and officers of REF-CHEM shall be, respectively, the directors and officers of the Surviving Corporation until their respective successors are duly elected and qualified.

1.02. Terms of the Merger. The manner and basis of converting the outstanding capital stock of DLI and REF-CHEM into capital stock of the Surviving Corporation at the Effective Time shall be as follows:

(a) Each share of REF-CHEM Common which is issued and outstanding immediately prior to the Effective Time shall thereupon and without more be converted into and continue as a share of REF-CHEM Common.

(b) Each share of DLI Common which is issued and outstanding immediately prior to the Effective Time shall not be converted but shall be cancelled.

(c) All the shares of DLI Preferred which are issued and outstanding immediately prior to the Effective Time, shall thereupon and without more be converted into:

(A) a number of shares of REF-CHEM Preferred (rounded to the nearest whole share) equal to an amount equal to the quotient obtained from a fraction, the numerator of which is the difference between (i) DLI's book value as set forth in the DLI September Financial

Reports (as defined in Section 1.05), and (ii) Two Hundred Thousand Dollars (\$200,000) plus fifty percent (50%) of any operating losses which the DLI Business (whether owned by DLI or REF-CHEM) shall incur in the months of October and November of 1986, and the denominator of which is one hundred (100); provided, however, in no event shall the reduction for fifty percent (50%) of said operating losses exceed One Hundred Thousand Dollars (\$100,000);

(B) cash equal to Sixty Thousand Dollars (\$60,000); and

(C) a promissory note, (the "Note"), in a face amount equal to One Hundred Forty Thousand Dollars (\$140,000).

(d) The holder(s) of certificates representing DLI Common and DLI Preferred, shall cease to have any rights as stockholder(s) of DLI, and their sole right shall be the right to receive the amounts, if any, of REF-CHEM Preferred, cash and the Note into which their DLI Common and DLI Preferred have been converted by the Merger as provided in Section 1.02(c).

1.03. Surrender of Certificates.

(a) As soon as practicable after the Effective Time, the holder(s) of certificates representing DLI Common and DLI Preferred, shall surrender such certificates to REF-CHEM, duly endorsed and ready for transfer to REF-CHEM, and upon such surrender, and the execution of an investment intent letter in form and substance acceptable to REF-CHEM, the holder(s) of DLI Preferred certificates shall receive as soon as practicable, in exchange therefor, certificates registered in the name of such holder(s) representing REF-CHEM Preferred, cash and the Note in the amounts determined in accordance with Section 1.02(c), and in the manner specified in Section 1.03(f). Until surrendered in accordance with the provisions of this Section 1.03, the certificate(s) representing DLI Preferred shall be deemed by the Surviving Corporation to represent for all purposes the right to receive upon such surrender the certificates and payment contemplated by the preceding sentence.

(b) No dividends or other distribution declared after the Effective Time with respect to REF-CHEM Preferred and payable to the holders of record thereof after the Effective Time shall be paid to the holder of any unsurrendered certificates representing DLI Preferred with respect to which the REF-CHEM Preferred shall have been issued in the Merger until such certificates shall be surrendered as provided herein, but (i) upon such surrender there shall be paid to the person in whose name the certificates representing such REF-CHEM Preferred shall be issued the amount of dividends theretofore paid with respect to such

REF-CHEM Preferred as of any date subsequent to the Effective Time and (ii) at the appropriate payment date or as soon as practicable thereafter, there shall be paid to such person the amount of dividends with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such REF-CHEM Preferred, subject in any case to any applicable escheat laws and unclaimed property laws. No interest shall be payable with respect to the payment of such dividends on surrender of outstanding certificates.

(c) Subject to the Surviving Corporation's obligation to pay previously declared dividends which remain unpaid, all rights to receive cash, Note and shares of REF-CHEM Preferred into which DLI Preferred shall have been converted pursuant to this Article I shall be deemed to have been paid or issued, as the case may be, in full satisfaction of all rights pertaining to such DLI Preferred.

(d) No certificates or scrip representing fractional shares of REF-CHEM Preferred shall be issued upon the surrender for exchange of certificates which prior to the Effective Time shall have represented any DLI Preferred, the amount of shares of REF-CHEM Preferred issued pursuant to such exchange to be rounded to the nearest whole share.

(e) After the Effective Time, there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the DLI Common and DLI Preferred which were outstanding immediately prior to the Effective Time. If, after the Effective Time, certificates representing such shares are presented to the Surviving Corporation, they shall be cancelled or converted as provided in this Article I.

(f) Upon surrender of DLI Preferred pursuant to the provisions of this Section 1.03, REF-CHEM shall issue the certificates representing REF-CHEM Preferred, cash and the Note in the amounts determined in accordance with Section 1.02(c) in the following manner:

(i) On the Effective Time, Five Thousand, Five Hundred (5,500) shares of REF-CHEM Preferred, registered in the name of such holder(s), shall be issued by REF-CHEM and shall be delivered to REF-CHEM's attorneys ("Escrow Agent"), to be held in escrow by Escrow Agent until the issuance of the DLI September Financial Reports.

(ii) On the Effective Time, cash in the amount of Sixty Thousand Dollars (\$60,000) shall be delivered by REF-CHEM to such holder(s).

(iii) On the Effective Time, the Note shall be executed by REF-CHEM and delivered to such holder(s).

(iv) On or before December 31, 1986, the balance, if any, of the shares of REF-CHEM Preferred which are to be issued in accordance with Section 1.02(c), registered in the name of such holder(s), shall be issued by REF-CHEM and delivered to such holder(s).

1.04. Certain Adjustments. If, between the date of this Agreement and the Effective Time, the outstanding DLI Preferred shall have been changed into a different number of shares or a different class by reason of any reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, or a stock dividend thereon shall be declared with a record date within said period, the number of shares of REF-CHEM Preferred to be exchanged in the Merger for each outstanding DLI Preferred as provided in this Agreement shall be correspondingly adjusted.

1.05. DLI September Financial Reports. As soon as reasonably practicable after the execution of this Agreement, REF-CHEM shall cause its independent certified public accountants to conduct an audited examination of DLI's balance sheets as of September 30, 1986, and the related statements of income and retained earnings, and of changes in financial position for the period then ended, all in accordance with generally accepted accounting principles applied on a consistent basis, and to issue said Financial Statements to REF-CHEM (the "DLI September Financial Reports"). In the event the DLI September Financial Reports show that the Five Thousand, Five Hundred (5,500) shares of REF-CHEM Preferred, the Sixty Thousand Dollars (\$60,000) cash and the Note issued on the Effective Time exceeds the amount of REF-CHEM Preferred, cash and Note which the DLI Preferred should be converted into pursuant to Section 1.02(c), REF-CHEM, at its option, shall have the right to reduce the amount of the REF-CHEM Preferred held in escrow by Escrow Agent to correspond to the book value of DLI as shown on the DLI September Financial Reports. REF-CHEM shall exercise its option set forth herein by notifying Escrow Agent in writing within ten (10) days of the date REF-CHEM receives the DLI September Financial Reports, and by delivering to Escrow Agent substituted shares of REF-CHEM Preferred adjusted according to the provisions herein, and thereupon Escrow Agent shall deliver such substituted shares to the appropriate parties.

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